EIGHTEENTH
ANNUAL REPORT

1991
(Fiscal Year ended June 30th)

The Law Foundation of Saskatchewan Regina, SASK.

92-01698/

THE LAW FOUNDATION

**Report of the Law Foundation of Saskatchewan
for the Fiscal Year ending June 30, 1991,
to the Honourable Minister of Justice of Saskatchewan
pursuant to Section 79 of The Legal Profession Act,
R.S.S. 1990, and Amendments thereto**

I am pleased to file with you the attached Financial Statements of the Law Foundation for the fiscal year ending June 30, 1991, as audited by Deloitte Touche, chartered accountants, being the firm appointed for that purpose by the Benchers of the Law Society of Saskatchewan pursuant to Section 76(7) of The Legal Profession Act and also to provide you, on behalf of the Board of the Law Foundation, with our 18th Annual Report on the activities of the Foundation for the year.

The Foundation received income of $1,807,000 from mixed trust accounts in 1990/91, a decrease of $853,000 from 1989/90's income of $2,660,000. This significant decrease was due to a rapidly declining prime rate commencing in January, 1991. The rate is continuing to drop and will result in reduced income for 1991/92.

During the fiscal period ended June 30, 1991, the Foundation paid out $1,454,666 in grants for the year. Grants authorized and unpaid at the end of the year totalling $1,471,810 (Schedule "I"). The reserve account decreased to $3,175,000 and the unallocated revenue balance was $7,968. The day-to-day operations of the Foundation are handled by the Secretary, Mr. H. Robert Arscott, F.C.A., of the firm Arscott & Partners, chartered accountants, Regina.

The Bank of Montreal and the Toronto Dominion Bank have informed the members that they have eliminated service charges from lawyers' mixed trust accounts. We are approaching the other financial institutions informing them of the new policy from the Bank of Montreal and Toronto Dominion Bank to provide them with an opportunity to follow suit.

During the fiscal period ending June 30, 1991 the Foundation authorized the following grants:

*	Law Libraries	$ 640,000
	Legal Aid Commission	489,500
*	Public Legal Education Association	342,500
*	Continuing Legal Education	114,850
*	Law Reform Commission	110,000
*	College of Law Endowment	100,000
	Builder's Lien Manual	67,827
	Metis Justice Review	46,575
	Native Justice Review - F.S.I.N.	47,898
*	Native Law Centre	42,048
	Elizabeth Fry Society - Research	31,200
	Association des Juristes D'Expression Francaise de la Saskatchewan Inc.	26,498
*	Western Judicial Centre	22,500
*	Canadian Law Information Centre	17,350
	Index of Saskatchewan Statutes	16,000
	Law Reform Commission - computers	15,223
*	Lawyer's Referral Service	15,000
*	National Study of Court House Libraries (Phase 1)	11,057
	C.B.A. - Review of Criminal Code	10,000
	Queen's Bench Rules Amendments	9,000
	Public Awareness Project - Law Society	8,500
	Saskatoon Sexual Assault Centre	7,300
*	Canadian Bar Review	6,135
	Building a Province - Saskatchewan Documents	6,000
	C.B.A. - Law Day	5,000
*	Saskatchewan Elocution & Debate Workshop & Grant	7,400
	Canadian Plains Research Centre	2,200
	National Association of Women and the Law	1,000
		$2,218,561

Those grants marked with an asterisk (*) are ongoing commitments of the Foundation.

At its March, 1991, meeting, the Foundation approved special grants to each of the Federation of Saskatchewan Indians ($47,898 towards the Native Justice Review) and the Metis Society of Saskatchewan ($46,575 towards the Metis Justice Review).

The Law Foundation of Saskatchewan Chair, College of Law, University of Saskatchewan, is occupied for a second term 1991-92 by Mr. Allan Blakeney, former Premier of Saskatchewan, Osgoode Hall professor, Rhodes scholar and graduate of Oxford University.

The Foundation Board held four regular meetings and one special meeting during the year. Three of its members attended the Annual Meeting of the Canadian Association of Law Foundations held in conjunction with the Canadian Bar Association Annual Meeting in Calgary, Alberta, in August, 1991. The annual meeting concerns itself with projects of a national nature and other matters of mutual interest. Representatives of the Saskatchewan Law Foundation again emphasized the national importance of the Native Law Centre at the University of Saskatchewan and requested the continued support of other Canadian Law Foundations for this worthy project.

The Canadian Association reviewed the first phase of a comprehensive study designed to identify ways to cope with the escalating costs of Phase 1 Courthouse Libraries. All member Foundations agreed to finance a continuing study of Phases 2 and 3 to be completed by March 31, 1992, and, in principle, Phases 4 and 5 at some future date. Mr. Harry Dahlem, Vice Chairman of Saskatchewan, was a member of the Phase 1 Committee.

The national meeting also considered the drastic decline in income of all the Foundations (some as much as 50 percent) and the effect of the decline on future funding. As noted above, the drop in the prime rate is continuing, which will result in further reduced income.

However, in recent years the Foundation had recognized that high interest rates would not likely continue. It, therefore, set aside funds for use during the inevitable lower income period. A portion of the Foundation's reserve was used in the past fiscal year to maintain grants at an appropriate level, and the reserve balance now stands at $3,175,000. The

reserve will continue to be used to protect the on-going projects and allow for their orderly management.

Moreover, the Foundation recognizes that expanded use of already existing computer technology will see banks allocating more and more trust moneys to individual accounts. As income to the Foundation is reduced by this technology, the reserve fund will provide some lead time for those who depend upon the Foundation for core funding to find alternate funding.

Effective January 1, 1991, Mr. Donald S. McKercher, Q.C., retired from the Foundation after many years of dedicated service. His contributions to the Foundation as member and then as Chairman were invaluable and very much appreciated. The present members of the Foundation are: Mr. Dennis Ball, Q.C. (Chairman), Mr. H. Dahlem, Q.C. (Vice Chairman), Mr. J. Gordon Wicijowski, F.C.A. (Treasurer), Dean Peter MacKinnon, Q.C., Mr. Brian Barrington-Foote, Q.C., Mr. Donald F. Woloshyn and Mr. Frank MacBean, Q.C. Its Secretary is Mr. H. Robert Arscott, F.C.A.

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

Dated at Regina, Saskatchewan this 18th day of November A.D. 1991.

Dennis Ball

Dennis Ball, Q.C., CHAIRMAN

Deloitte & Touche

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Chartered Accountants

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AUDITORS' REPORT

To the Members of the
Law Foundation

We have audited the balance sheet of the Law Foundation as at June 30, 1991, and the statement of revenue, expenditures, grants and unallocated revenue for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at June 30, 1991 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Deloitte + Touche

Chartered Accountants

October 15, 1991

LAW FOUNDATION

(Established Under The Legal Profession Act of Saskatchewan)

BALANCE SHEET

30TH JUNE 1991

	1991	1990
ASSETS		
Cash and term deposits	$ 557,290	$1,160,166
Interest receivable from solicitors' trust accounts	193,000	489,471
Investments (par value)	3,732,395	2,190,000
Accrued interest on investments	188,834	147,248
	$4,671,519	$3,986,885
LIABILITIES		
Sundry payables	$ 16,741	$ 3,000
Grants payable - Schedule "1" (Note 2)	1,471,810	765,348
Reserve account (Note 1)	3,175,000	3,200,000
Unallocated revenue	7,968	18,537
	$4,671,519	$3,986,885

On behalf of the Foundation:

_____ Chairman

_____ Treasurer

"See Accompanying Notes to the Financial Statements"

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LAW FOUNDATION

STATEMENT OF REVENUE, EXPENDITURES, GRANTS AND UNALLOCATED REVENUE

FOR THE YEAR ENDED 30TH JUNE 1991

		1991		1990
REVENUE:				
Interest from lawyers' mixed trust accounts		$1,806,586		$2,660,392
Interest earned on investments		445,077		315,132
		2,251,663		2,975,524
EXPENDITURES:				
Administrative				
Foundation members				
- office overhead	$13,000		$ 9,500	
- meetings	14,884		10,969	
Office, postage, stationery & telephone	17,583		11,432	
Office of the Secretary	66,888		60,763	
Professional fees	13,749		9,734	
		126,104		102,398
EXCESS OF REVENUE OVER EXPENDITURES		2,125,559		2,873,126
GRANTS AUTHORIZED IN THE YEAR - Schedule "2" (Note 2)		(2,218,561)		(1,464,020)
GRANTS NOT USED AND RECOVERED		57,433		965
EXCESS OF EXPENDITURES AND GRANTS OVER REVENUE FOR THE YEAR		(35,569)		1,410,071
UNALLOCATED REVENUE, BEGINNING OF YEAR		18,537		8,466
		(17,032)		1,418,537
ALLOCATION FROM (TO) RESERVE ACCOUNT		25,000		(1,400,000)
UNALLOCATED REVENUE, END OF YEAR		$ 7,968		$ 18,537

"See Accompanying Notes to the Financial Statements"

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LAW FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

30TH JUNE 1991

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles, and reflect the following policies:

Interest

A significant portion of the revenue of the Foundation is interest on accounts of the members of the Law Society of Saskatchewan. The Foundation records such interest as revenue on the accrual basis.

Investments

Interest income is recorded as earned. It is the Foundation's policy to hold all investments to maturity.

Grants

Grants are expensed at the time they are authorized by the Foundation.

Reserve Account

The members of the Foundation passed a motion at their meeting of March 1981 to create a Reserve Account from Unallocated Revenue in such amounts as may be determined from time to time. The Reserve Account is a provision against any revenue reduction in the future as protection for continuing grants. An allocation of $25,000 was made to the general fund at 30th June 1991, leaving a balance of $3,175,000.

2. GRANTS PAYABLE

	1991
Grants payable, beginning of year	$ 765,348
Add: Grants authorized - Schedule "2"	2,218,561
	2,983,909
Deduct: Grants paid	1,454,666
Grants not used	57,433
Grants payable, end of year - Schedule "1"	$1,471,810

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LAW FOUNDATION

SCHEDULE OF GRANTS PAYABLE

30TH JUNE 1991

Schedule "1"

Legal Aid Commission	$ 453,500
Law Libraries	318,000
Public Legal Education Association	170,000
College of Law Endowment Fund	100,000
College of Law - Library Endowment Fund	91,540
Law Reform Commission	82,500
Continuing Legal Education	57,000
Builder's Lien Manual	37,159
Elizabeth Fry Society - Research	31,200
Native Justice Review - F.S.I.N.	31,050
Metis Justice Review	29,898
Law Libraries - upgrade facilities, etc.	23,695
C.B.A. Review of Criminal Code	10,000
Public Awareness Project - Law Society	8,500
Saskatoon Sexual Assault Centre	7,300
Queen's Bench Amendments	7,250
Building A Province - Saskatchewan Documents	6,000
Law Reform Commission - computers	5,018
Canadian Plains Research Centre	2,200
	$1,471,810

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LAW FOUNDATION

GRANTS AUTHORIZED

30TH JUNE 1991

Schedule "2"

Law Libraries	$ 640,000
Legal Aid Commission	489,500
Public Legal Education Association	342,500
Continuing Legal Education	114,850
Law Reform Commission	110,000
College of Law Endowment	100,000
Builder's Lien Manual	67,827
Metis Justice Review	46,575
Native Justice Review - F.S.I.N.	47,898
Native Law Centre	42,048
Elizabeth Fry Society - Research	31,200
Association des Juristes D'Expression Francaise de la Saskatchewan Inc.	26,498
Western Judicial Centre	22,500
Canadian Law Information Centre	17,350
Index of Saskatchewan Statutes	16,000
Law Reform Commission - computers	15,223
Lawyer's Referral Service	15,000
National Study of Court House Libraries - (Phase 1)	11,057
C.B.A. - Review of Criminal Code	10,000
Queen's Bench Rules Amendments	9,000
Public Awareness Project - Law Society	8,500
Saskatoon Sexual Assault Centre	7,300
Canadian Bar Review	6,135
Building a Province - Saskatchewan Documents	6,000
C.B.A. - Law Day	5,000
Saskatchewan Elocution & Debate Association	4,400
Saskatchewan Elocution Workshop	3,000
Canadian Plains Research Centre	2,200
National Association of Women and the Law	1,000
	$2,218,561

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